

2005 Flexible Spending Accounts Open Enrollment

November 8, 2004 through November 30, 2004



State of Michigan
Department of Civil Service

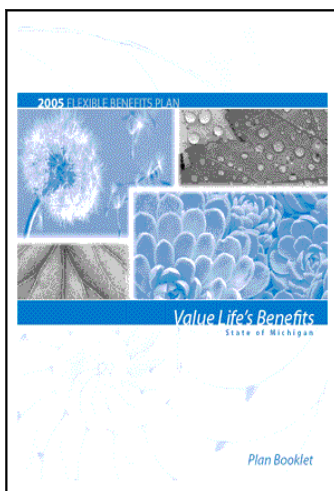
November 2004

Flexible Spending Accounts

Flexible Spending Accounts are among the most valuable components of your benefits package!* These accounts let you pay for dependent care and eligible out-of-pocket medical expenses with pre-tax dollars, thereby reducing your cost.

Flexible Spending Accounts are convenient and easy to use. With a little up-front planning, you can enjoy significant tax savings while paying for a wide array of out-of-pocket medical and dependent care expenses.

The 2005 Flexible Benefits Plan Booklet contains the information you need to determine if you want a **Medical Care** and/or **Dependent Care** Spending Account.



2005 Flexible Benefits Plan Booklet

* Non-career employees (Y-52) and SPS are not eligible for this benefit.

It explains how to establish and use your account and includes worksheets to assist you with calculating your estimated expenses.

This booklet and calculators are available on-line at www.michigan.gov/mdcs. Click 'Employee Benefits' from the left menu, then select 'Flexible Spending'.

This year, open enrollment will be completed in your MI HR Self-Service account. If you do not have access or need assistance, contact the MI HR Service Center at (877) 766-6447 (see enrollment instructions on page 2).

Please read this booklet carefully and use it throughout the life of your spending account.

Types of Spending Accounts

A **Medical Care Spending Account** can save you money on all eligible out-of-pocket medical care expenses, such as doctor office co-pays, dental and medically needed orthodontia co-pays, prescription co-pays, health insurance deductibles, vision expenses not covered by insurance, and some over-the-counter drugs such as cold and allergy medications, pain relievers and antacids.

A **Dependent Care Spending Account** can be used to pay for childcare expenses while you or your spouse are at work or, looking for work, or at school; for local day camp; and care expenses for your incapacitated dependent at any age.

The EZ REIMBURSE® Card

The EZ REIMBURSE® Card is a debit card you can use for many of your reimbursable medical care expenses. Saving money will be even easier through your Medical Care Spending Account.

This card allows you to pay your prescription drug co-pays at a participating pharmacy directly out of your Medical Care Spending Account. You no longer have to submit documentation and wait for reimbursement of your claim.

This card can also be used at your doctor's office, dentist's office, or other health care provider if they accept MasterCard. The only thing you have to do is submit documentation to FBMC to support the valid medical care expense.

Details about this exciting option are available at www.michigan.gov/mdcs. Click 'Employee Benefits' from the left menu, select 'Flexible Spending', 'Overview', 'EZ REIMBURSE® Card'.

Inside this issue:

FLEXIBLE SPENDING ACCOUNTS	p. 1
TYPES OF SPENDING ACCOUNTS	p. 1
THE EZ REIMBURSE® CARD	p. 1
IMPORTANT INFORMATION ABOUT FLEXIBLE SPENDING ACCOUNTS	p. 2
ENROLLING IN FLEXIBLE SPENDING ACCOUNTS	p. 2
WHO TO CONTACT	P. 2
EZ REIMBURSE® CARD QUESTIONS & ANSWERS	pp. 3-4

Important Information About Flexible Spending Accounts

- ☞ Once the open enrollment period has expired, you may not change your deduction amount unless you have a valid life event as specified by IRS regulations.
- ☞ IRS regulations state that any amounts remaining in your account after the deadline for submission of reimbursement claims must be forfeited, so calculate your anticipated expenses conservatively.
- ☞ Print and retain your confirmation statement when you enroll AND every time you change your deduction amount and/or number of pay periods during open enrollment.
- ☞ If you are enrolling in both the Medical Care Flexible Spending Account and in the Dependent Care Flexible Spending Account, you must do so during the same MI HR Self-Service enrollment session. If you return to MI HR Self-Service at a later time to make changes or add to one of these enrollments, you must re-enroll in both plans, even if you are only changing one of them.
- ☞ Log into MI HR Information at www.michigan.gov/selfserv to find more information about Flexible Spending Accounts. MI HR Information has details about account eligibility, tax implications, contributions, claims and more!

Enrolling In Flexible Spending Accounts

The Flexible Spending Accounts Open Enrollment period will begin November 8, 2004 and run through November 30, 2004. Anyone who wishes to participate in 2005 must enroll, even if you are participating this year.

All enrollments must be completed in your MI HR Self-Service account at www.michigan.gov/selfserv. After logging into your account, click the 'Self-Service Account' link. At the Welcome page, click the 'Employee' Button. Then 'Benefits' from the left menu. To begin the enrollment process, click 'Benefits Enrollment'.

When you have completed your on-line enrollment, you will immediately receive an electronic confirmation statement on the screen. **Please print and retain this statement as it will serve as your confirmation of enrollment.**

You may change your enrollment using MI HR Self-Service only during the open enrollment period of November 8, 2004 through November 30, 2004. Please be sure to print the new confirmation statement if you revise your enrollment. After November 30, 2004, changes to your enrollment can only be made if you have a qualifying life event.

Access to your MI HR Self-Service Account is available seven days a week, except during regular scheduled maintenance, via the Internet/intranet. The maintenance schedule is available to view on the MI HR Gateway at www.michigan.gov/selfserv. Please contact the MI HR Service Center at (877) 766-6447 if you do not have access to MI HR Self-Service.

Who To Contact

"Yes, we can help you with that!"

If you have Flexible Spending Account open enrollment questions, do not have access to the Internet, or need assistance enrolling, please contact the MI HR Service Center.

For information or questions concerning eligible expenses or the reimbursement process, contact FBMC Customer Service at (800) 342-8017, Monday through Friday, 7:00 a.m. to 10:00 p.m.

MI HR Service Center

P.O. Box 30002
Lansing, MI 48909

Toll Free: 877-766-6447

TDD: 517-241-8046

Fax: 517-241-5892

Available Monday through Friday
7:00 a.m. to 6:00 p.m.
except holidays





The EZ REIMBURSE® Card Questions & Answers

What is the EZ REIMBURSE® Card?

The EZ REIMBURSE® Card (referred to as the “Card”) can be used to pay for prescriptions and eligible medical products and services. The funds will be taken directly from your Medical Care Flexible Spending Account (FSA). This means no out-of-pocket expenses for you and no waiting for reimbursement from FBMC. The EZ REIMBURSE® Card *is not a credit card*. Its use is restricted to eligible medical services and purchases associated with your Medical Care FSA, as governed by IRS regulations. Your Card can be used at your doctor, dentist, ophthalmologist, optometrist or other healthcare provider offices for co-pays, deductibles, and any qualified amounts not covered by insurance. As long as your healthcare facility accepts MasterCard and you have an available balance in your account to cover your expense, your Card will be accepted.

How do I get a card? When I enroll during open enrollment, will a new Card be issued to me for 2005?

If you currently have an activated Card, you can continue to use it in 2005. Your Medical Care Flexible Spending Account (FSA) will automatically be charged the non-refundable \$10 annual card fee on January 2, 2005. **If you are a new participant** to Medical Care FSA, you will receive your Card in the mail in late December. *Please watch your mail closely so you do not inadvertently discard it.* If you do not want to use the Card, simply do not activate it and destroy it.

Persons who received a Card last year, but did not activate it, have destroyed it, or activated the Card and have NOT used it, will receive a letter from FBMC explaining their options.

What will the use of the EZ REIMBURSE® Card cost me?

Everyone who has an activated Card will be charged the non-refundable \$10 card fee from your Medical Care Flexible Spending Account (FSA) *each year* on January 2, unless you no longer participate in the Medical Care FSA or you cancel your Card during open enrollment. Persons who are new to the Medical Care FSA will receive a Card automatically. Once you call the phone number on the front of the Card, it will be activated and the non-refundable \$10 card fee will automatically be charged to your account.

I have an activated EZ REIMBURSE® Card, but find I don't use it — can I cancel my card so I don't get charged the \$10 on January 2, 2005?

Yes. You may cancel your Card during the open enrollment period by sending an e-mail to cancelcard@fbmc-benefits.com. Include your full name, State of Michigan Employee ID Number and only the last four digits of your social security number in your e-mail. If you do not have the ability to send an e-mail, you may fax or mail your request with this information to:

Fax: 1-850-425-6220, Attn: C Sculley or S Jones

Mail: FBMC, P.O. Box 1878, Tallahassee, FL 32302-1878, Attn: C Sculley or S Jones

Open enrollment (November 8 - 30, 2004) will be the only time you can cancel your Card once you have activated it.

I received a Card for 2004 and still have it but never activated it. Can I activate it now and use it for 2005?

You can activate and use the Card you received in 2004, but **do not** activate it until January 2, 2005 or after. Your Medical Care FSA will automatically be charged the non-refundable \$10 card fee upon activation. If you activate your Card before January 2, 2005 you will be charged the non-refundable \$10 card fee for 2004 **and** the non-refundable \$10 card fee for 2005.

Can I get a refund if I activate my Card and never use it?

No. Once you activate the Card your \$10 cannot be refunded. Do not call the toll free number found on the sticker on the front of the Card unless you intend to activate it – the call activates your Card and charges the non-refundable \$10 card fee automatically.

Will my dependents be able to use the EZ REIMBURSE® Card and will they receive their own Card? Will there be additional costs?

Yes. Your dependents can use the Card. To apply for one additional Card in your dependent's name, contact FBMC Customer Service at 1-800-342-8017. You are allowed only one additional Card and there is no additional charge. Cards are limited to dependents 18 years of age or older.

What happens if I lose my Card?

Immediately call 1-866-785-3621 and report your Card lost. You will receive a replacement Card in the mail within 5-7 business days.

Can I use the Card at medical appointments?

Yes. You can use your Card at any doctor, dentist, ophthalmology or other healthcare provider as long as they accept MasterCard as a method of payment.

How do I know if my pharmacy is participating?

Click the "EZ REIMBURSE® Debit Card Pharmacy Locator" on the FBMC Website at <http://www.fbmc-benefits.com>. By entering your zip code, you can view a list of pharmacies in your area.

Does my provider have to be participating?

For medical appointments your provider does not have to be participating with FBMC. To use your Card for prescriptions you must use a participating pharmacy. You can find a list of these pharmacies on the FBMC website at <http://www.fbmc-benefits.com>.

Can I use my Card to buy over-the-counter medicines?

No. Your Card will reject any expenses that do not originate from a medical provider's office or will only pay for prescription medications at your participating pharmacy counter.

When you purchase over-the-counter medicines, you must pay for the medicines and then submit the receipts using a regular FBMC claim form. These forms are available on the FBMC website at <http://www.fbmc-benefits.com>.

How do I send in my itemized receipts after I have used my Card?

You may fax your itemized receipts to FBMC at 850-425-4608. You may also mail them to: FBMC, P.O. Box 1800, Tallahassee, FL, 32302. *It is very important that when you fax or mail your EZ REIMBURSE® Card itemized receipts you include a completed EZ REIMBURSE® Card Transmittal Sheet.* You can download this form from either the FBMC website at <http://www.fbmc-benefits.com> or from the MDCS/Employee Benefits forms website at www.michigan.gov/mdcs—click 'Employee Benefits' from the left menu then select 'Forms'.

If you do not send the proper documentation to FBMC your Card will be suspended and you will be required to refund the unsubstantiated amount either through your direct payment, through substitution of your future claim submissions or through post tax deductions taken out of your paycheck.

The EZ REIMBURSE® MasterCard® is issued by BANKFIRST